



# Enhanced Collection Processing with the Right Software and Workflow Tools

revenue  
cycle

David Burton - Executive Director, Clarian Health Partners  
Robert M. Zimmerman, President/COO, The CSC Group

March, 2008



# Agenda

- Overview of CSC & Clarian
- Historical Keys to Success
- Current Threats and Weaknesses
- Future Receivables Management Strategy
- Vendor Selection Process
- Current State and Future Deployment

# CSC Overview

- Founded in 1964
- Information management enterprise
- Business process automation solution provider
- Leverage decades of services, software development and workflow design experience
- Interfaces enable applications to communicate intelligently - seamlessly share information





# CSC Core Principles

The CSC Group provides enterprise-wide document management and business process automation software and solutions. Our philosophy is based upon three core principles, which are the foundation of every solution we provide. They include:

- Capture* Acquire diverse information to provide organized access to critical business records, regardless of origin or format.
- Integrate* Unify disparate systems and applications to increase information flow, sharpen decision-making and improve customer service.
- Automate* Streamline operational efficiencies with technology and best practices to deliver sustainable financial results.



# Overview of Clarian Health

- Indiana based, private, nonprofit organization
- Formed in 1997 through the merger of Methodist Hospital, Indiana University Hospital, and Riley Hospital for Children.
- Clarian's mission is to improve the health of our patients and community through innovation and excellence in care, education, research and service.



# Overview of Clarian Health

- The state's largest, most comprehensive health system offering broad based tertiary services and one of the state's few Level I trauma centers
- In 2007 Clarian serviced 909,603 hospital encounters including
  - 66,568 Inpatient Admissions
  - 128,000 Outpatient Emergency Visits
  - 42,000 Outpatient Surgeries



# History of the Clarian CBO

- 1997 - 2000  
Merger of the Methodist and IU/Riley Business Offices
- 2000 - 2002  
Recovery, Stabilization, Standardization of Hospital AR
- 2003 - 2005  
Implementation of Clarian West and Clarian North
- 2005 - 2006  
Merger of the Clarian owned/affiliated physician billing entity
- 2007 - 2008  
Implementation of Clarian Arnett Health System



# Organizational Strengths

- Standard Design across all Revenue Cycle clients
  - Based on a Cerner/SMS/IDX/SoftMed core
  - “Henry Ford style” customization
  - Design aimed at optimal revenue cycle outcomes
  
- Extensive Training/Cross Training
  - Integration of teams across hospital and physician receivables for “commodity” services
    - Claims submission
    - Cash Posting
    - Customer Service



# Organizational Strengths

- In-house Revenue Cycle IT Staff
  - Alignment of priorities/incentives
  - Process knowledgeable IT resources
  
- Data-Rich Management Environment
  - High competency in rapid and advanced data analysis
  - High availability of management self-service for performance trending data



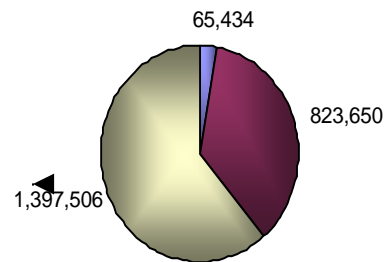
# Organizational Threats and Weaknesses

- Ongoing organizational pressure to reduce cost to collect. Shrinking margins due to increased clinical costs and reduced payments from the government and the uninsured
  - \$330 million in uncompensated care in 2006
- Sub-optimal current state of physician receivable management infrastructure
  - Technical Limitations of GE Centricity Business
  - Limited Expertise of In-house GE IS Staff
  - Less Mature Surround Applications for Decision Support
- Substantial planned increase in volume of small balance claims



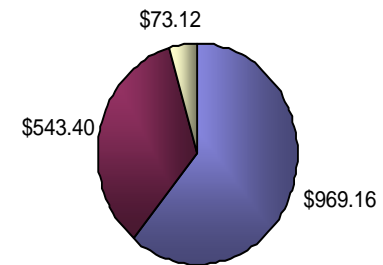
# Visit and Reimbursement Mix

### Visits (2007)



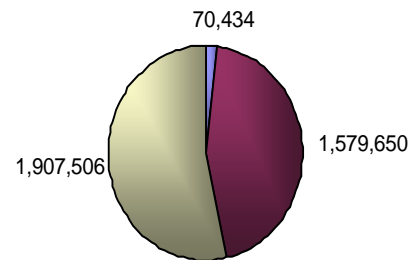
■ Inpatient ■ Outpatient ■ Physician

### Cash - millions (2007)



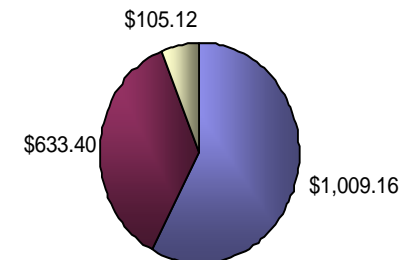
■ Inpatient ■ Outpatient ■ Physician

### Visits (Post Arnett)



■ Inpatient ■ Outpatient ■ Physician

### Cash - millions (Post Arnett)



■ Inpatient ■ Outpatient ■ Physician



# Core Strategy

- Automation of structure tasks
- Enrich data environment for professional receivable
- Standardized workflows across receivables to improve cross training opportunities
- Reduce employee “clicks” to assess and collection invoices
- Reduce “wasted” payer contacts/Knowledge drive workflow
  
- Offsite Partnerships
- Natural Language Processing
- KPIs with Control Charting
- Configuration Management



# Evaluation of Vendors

- Extensive due diligence with multiple vendors
- On-site demos with both technical and operational leadership
- Visioning interviews conducted to assess alignment of AR management philosophies
- Evaluated build vs. buy based on alignment of business needs and availability/potential of vendor based solutions
  - Decision made four years prior to build denial management and AR workflow system for hospital claims



# Common Vendor Offerings

- GUI User Interface
- Accepts AR Feeds from Multiple Sources
- Custom Workflow Design
- Vendor Management Module
- Analysis/Reporting Package

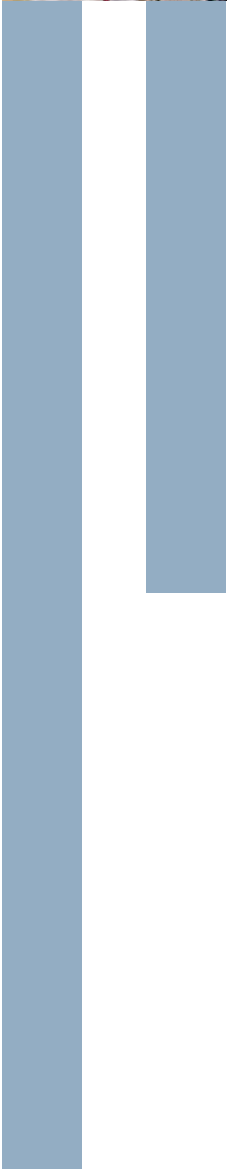


# CSC Differentiating Factors

- Established long-term partner with history of quality and reliability
- Proven track record with managing remittance content
- Proven track record with the automation of structured tasks
- Scanned images available in base product
- Easy to configure user interface
- Open workflow architecture
- Flexible reporting/analysis tools with drill down capabilities

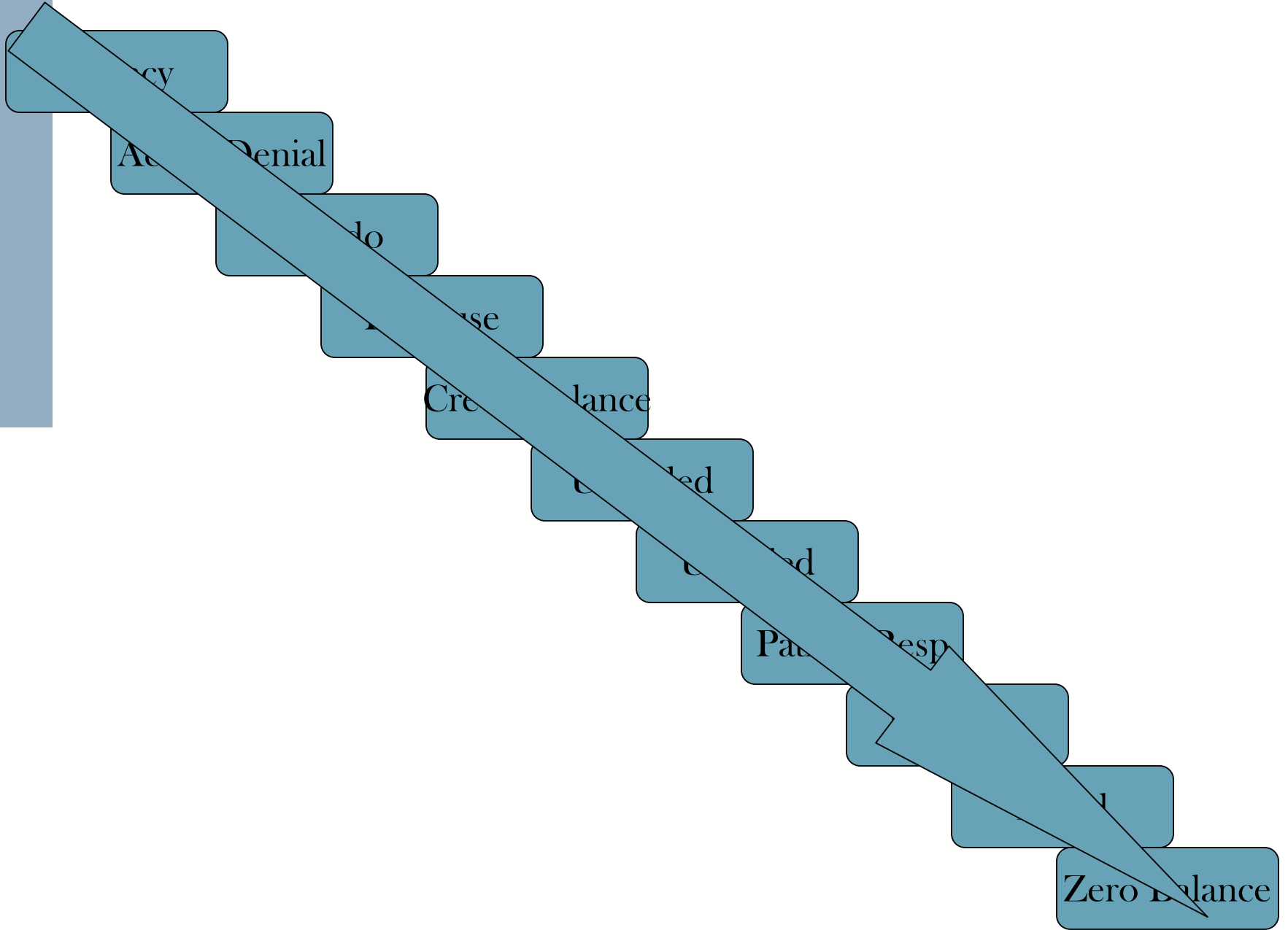


# Comprehensive Workflow Vision





# Key Element: Comprehensive Defect Base Workflow



# Key Element: Sortable/Groupable Worklists

**PAPERS®**

All Modules | Payment | Followup | Charge | Order Management | Eligibility | POS | Aged Accounts | LOG OFF

**Denial Followup - Work List**

Max Records: 0 | Manual Load | Cancel | Refresh | Reset | Print | Productivity | Quit

Criteria: DenialCategory Δ

Refresh

Display Options:

Queue Status:

All

Available  Closed

Suspended  UnSuspended

Expired Accounts

Assigned To: User/Group

Group Option: [De-Select All](#)

AccountNo	LastComment	DeniedCharges	QueueStatus	HostSystem	DenialDate	PatientLastName	VersionNo
DenialCategory: PA - CLAIM ADJUSTMENT (3)		\$18,140.76					
M145246658	Awaiting Review	\$10,880.46	Available	Invision	02/21/2008	PELUYERA	0
M141971564	Awaiting Review	\$4,547.56	Available	Invision	02/13/2008	KLIHANTZ	0
M145281044	Awaiting Review	\$2,712.74	Available	Invision	02/15/2008	HOGARD	0
DenialCategory: PA - MISCELLANEOUS (12)		\$22,669.04					
M143204246	Awaiting Review	\$4,730.88	Available	Invision	01/14/2008	KING	0
M144783941	Subsequent Denial On Denial	\$3,359.50	Available	Invision	02/19/2008	JAMES	2
M145070652	Subsequent Denial On Denial	\$1,988.75	Available	Invision	02/21/2008	WINSTON	2
M143132215	Awaiting Review	\$1,774.64	Available	Invision	01/14/2008	DAVIS	0
M143492890	Subsequent Denial On Denial	\$1,774.64	Available	Invision	02/04/2008	SOMES	2
M143044691	Awaiting Review	\$1,702.68	Available	Invision	12/17/2007	MARSEE	0
M143804672	Subsequent Denial On Denial	\$1,409.52	Available	Invision	01/21/2008	WOLFAL	2
M143547958	Subsequent Denial On Denial	\$1,409.52	Available	Invision	01/28/2008	MOONEY	2
M141786889	Subsequent Denial On Denial	\$1,312.64	Available	Invision	01/21/2008	BEAUDRY	1
M142337716	Corrected/ Rebilled Claim	\$1,089.48	UnSuspended	Invision	12/17/2007	CLINKENBEARD	0
M143291839	Subsequent Denial On Denial	\$1,076.88	Available	Invision	12/31/2007	TAYLOR	2
M143463776	Subsequent Denial On Denial	\$1,039.91	Available	Invision	01/21/2008	BATTIES	2
DenialCategory: PA - PFL (2)		\$41,258.77					
M124371865	Subsequent Denial On Denial	\$26,415.86	Available	Invision	02/20/2008	BROWN	1
M126342260	Awaiting Review	\$14,842.91	Available	Invision	02/20/2008	DOWDELL	0
DenialCategory: REG - FOLLOW-UP (4)		\$24,318.37					
M142773803	Subsequent Denial On Denial	\$11,311.75	Available	Invision	01/21/2008	HAWORTH	0
M143982965	Subsequent Denial On Denial	\$7,874.00	Available	Invision	01/28/2008	HICKS	0
M139833859	Awaiting Review	\$2,801.27	Available	Invision	02/04/2008	BYRD	0
M144657103	Awaiting Review	\$2,531.35	Available	Invision	02/21/2008	STEELE	0
		\$106,386.94					

Ready (Total Row: 21)

Version: 7.3.75 | User: Burton, David | Server: mmgpapers\clarian | Database: chpsql05



# Key Element: Ease of Access to Data

**PAPERS®**

All Modules: Payment Followup Charge Order Management Eligibility POS Aged Accounts LOG OFF

Denial Followup - Work List **Denial Evaluation**

Add Edit Global Edit Copy Delete Save Cancel Refresh Reset Print Find Quit

Invision AutoLink View Insurance Website Intranet Homepage Internal Help

Denial Activity: Denial Information: EOB:

**Denial Reason:**

VersionNo	RemarkCode	PrimaryRemarkCodeDescription	DenialCategory
0	a1	deny: authorization not on file	CAR - MISSING/INVALID AL

**Follow-up Activity:**

User: DBURTON Date: 02/25/2008

Appeal Types:  All  Pending  Closing

Appeal: [Select an Activity Code]

Notes:

**Follow-up History:**

ID	Date	Activity	User
	01/19/2008	Awaiting Review	PAPERS

**Adjustments:**

**Patient Information: (YOUNG, WILLIAM-CALEB, HRI: M0)**

Patient Name: YOUNG, WILLIAM-CALEB  
 MRN: M0 SSN:   
 Plan Code: K25 Group Code:

**Service Information: (Account No: M138760863, Unit No: )**

Facility: RILEY  
 Doctor:   
 Service From: 7/29/2007 Service To: 10/29/2007  
 Patient Type: G Visit Type: A  
 Account No: M138760863 Account Type:   
 DRG / APC: Service Code: NIC  
 Billed: \$484,122.90 Paid: \$0.00  
 Dept Name: Need\_Update Dept Code: NIC  
 Account Bal: \$484,122.88  
 Insurance Bal: \$0.00

**Denial Information: (Version: 0, Date: 1/3/2008)**

BaseMDenialSID	DeniedBalance	DenialDate	ReportDate	DenialYear	DenialMonth	PostedYear	Posted
113968	\$484,122.90	01/03/2008	01/18/2008	2008	January	2008	

Denial Detail Information:   
 Claim Detail Information:

Ready

Version: 7.3.75 User: Burton, David Server: mmgpapers\clarian Database: chpsql05



# Key Element: Ease of Access to Images

**PAPERS®**

All Modules | Payment | Followup | Charge | Order Management | Eligibility | POS | Aged Accounts | LOG OFF

Denial Followup - Work List | **Denial Evaluation**

Add | Edit | Global Edit | Copy | Delete | Save | Cancel | Refresh | Reset | Print | Find | Quit

Invision AutoLink | View Insurance Website | Intranet Homepage | Internal Help

Denial Activity: | Denial Information: | **EOB:**

Page 4 Of 16

**Denial Reason:**

VersionNo	RemarkCode	PrimaryRemarkCodeDescription	DenialCategory
0	a1	deny: authorization not on file	CAR - MISSING/INVALID AU

**Follow-up Activity:**

User: DBURTON Date: 02/25/2008

Appeal Types:  All  Pending  Closing

Appeal: [Select an Activity Code]

Notes:

**Follow-up History:**

Date	Activity	User
01/19/2008	Awaiting Review	PAPERS

**Adjustments:**

Run Date 01/02/08

MANAGED HEALTH SER  
1099 N. MERIDIAN S  
INDIANAPOLIS, IN  
(800) 414-9475

CHP-MET/IU/RILEY 200119770

Insured Name: YOUNG, WILLIAM C  
Patient Name: YOUNG, WILLIAM C  
Control No: G341INE03862 Servicing  
National Prc

Serv -Date-	Diag#	Proc#	Days/Cnt	Charged	Allowed
Drug#	Proc2	Qty			
0100 072907	V3001	410	35	36958.37	.00
0200 072907	V3001	420	10	1542.24	.00
0300 072907	V3001	424	1	219.52	.00
0400 072907	V3001	430	10	1787.52	.00
0500 072907	V3001	434	4	570.64	.00
0600 072907	V3001	440	3	423.92	.00

Ready

Version: 7.3.75 | User: Burton, David | Server: mmgpapers\clarian | Database: chpsd05

# Key Element: Advance Analysis Tools

Application Explorer

ReportManager **ATB Aging By Defect Date**

Save Open Save Layout Print Reset Refresh Columns Quit

Pivot Grid

Drop Filter Fields Here

BAL\_ACCT\_BAL QualifyAging

MasterReasonCode	000-007	008-014	015-021	022-030	031-060	061-090	Grand Total
Active Denial		(\$19,696.76)	\$235.11	\$143,295.04	(\$18,539.34)	\$280,000.07	\$385,294.12
Billed	\$471,323.00	\$12,388,259.78	\$28,739,118.08	\$50,695,729.30	\$102,923,853.01	\$55,348,716.31	\$250,566,999.48
CreditBalance	(\$64,664.05)	(\$14,408.73)	(\$2,365.89)	(\$1,115,456.02)	(\$3,254,735.94)	(\$16,333,056.71)	(\$20,784,687.34)
Inhouse	\$11,550,809.43	\$12,262,546.23	\$10,937,112.18	\$9,685,994.79	\$18,138,411.98	\$29,235,550.06	\$91,810,424.67
Past Due		\$55.80	\$2,016.06	\$432,442.81	\$39,432,524.75	\$131,346,867.77	\$171,213,907.19
Patient Responsibility	\$465,283.03	\$2,305,366.39	\$3,655,040.54	\$5,843,942.31	\$23,572,432.49	\$76,899,957.07	\$112,742,021.83
Pseudo	\$989,973.49	\$926,458.80	\$1,266,690.79	\$399,510.31	\$2,030,904.44	\$458,291.63	\$6,071,829.46
Unbilled	\$4,609,497.22	\$6,627,329.14	\$7,549,782.03	\$9,466,421.04	\$19,674,235.86	\$13,281,289.02	\$61,208,554.31
Uncoded	\$16,429,718.30	\$19,224,732.68	\$10,277,452.82	\$7,438,042.57	\$7,101,017.88	\$1,267,673.94	\$61,738,638.19
Zero Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$34,451,940.42	\$53,700,643.33	\$62,425,081.72	\$82,989,922.15	\$209,600,105.13	\$291,785,289.16	\$734,952,981.91

PivotGrid Field List

Drag Items to the PivotGrid

ACCT\_TYPF

Application Explorer

ReportManager **Common: Combined Activity Report**

Open Save Cancel Refresh Reset Print Quit

CreatedUser	ActivityDescription	RecordCount
CreatedUser: (22)		35
CreatedUser: CGOSMAN (3311)		5214
CreatedUser: JAARNOLD (12)		
CreatedUser: KSNOW (45)		63
CreatedUser: MCLARK4 (591)		609
CreatedUser: MDSMITH (1)		1
CreatedUser: MOWENS (508)		546
CreatedUser: NKRYAN (51)		57
CreatedUser: PAPERS (13)		14
CreatedUser: SLMARTIN (2)		2
CreatedUser: SSMITH12 (1)		2
CreatedUser: SWHITE3 (825)		854
CreatedUser: TILLOYD (929)		1082
CreatedUser: VHWARD (944)		967

Pie Chart Settings

Pie Chart View

Display Units: **Display Dollars** / Display Count

Chart Label:  Label,  Record Count,  Segment Value,  Percentage

Color Theme: Spectrum, Prism, Earth Tone, Aztec, Greyscale

Color Depth: [Slider]

Tool Tip Settings:  Label,  Segment Value,  Percentage

3D Pie Chart:  3D Pie Chart, Rotate Clockwise, Rotate Up/Down, Rotate Left/Right, Sizing Chart Size

Total RecordCount: 9496

Legend: CGOSMAN, MOWENS, Mclark4, Swhite3, Tilloyd

Version: 7.3.75 User: Burton, David Server: mmgpapers\clarian Database: chpsq05



# Initial Realized Benefits

- Standardized processes across hospital and physician AR (with flexibility)
- On-demand receivable analysis available to managers and supervisors
- Management reporting aligned with employee workflow
- Combined hospital and physician worklists (where relevant)
- Flexible productivity reporting with drill down capability
- Ease of Access to Remittance Data



# Expected Future Benefits

- Automation of structured tasks
  - Eligibility
  - Claim Status
  - Insurance Updates
  - Denial Appeal Letters
  
- Improved workflow design based on identification of “wasted” contacts
  
- Data driven staffing models based on claim payment/denial data



# Questions?

Email:

[dburton@clarian.org](mailto:dburton@clarian.org)